

the court, coming at a season of growing alarm, caused a run upon Overend, Gurney, and Co., by depositors, and on the afternoon of May loth the firm suspended with liabilities of  $\wedge 18,727,915$ .<sup>1</sup>

The next day, May nth, known as "Black Friday" was long memorable in English financial history. Lombard Street became impassable with the surging crowd and extravagant rumors assailed the reputations of the strongest houses. The Bank of England extended accommodations during the day in loans and discounts to an amount exceeding  $\wedge 4,000,000$ , and the banking reserve was reduced close to  $\wedge 3,000,000$ . The Chancellor of the Exchequer announced these facts in the evening in the House of Commons and stated that the government had addressed a letter to the bank, authorizing the suspension of the Act of 1844. The announcement was received with cheers and the news had a marked effect in mitigating the panic the next day. The decision to authorize the extra issue was not reached until midnight, and a deputation from the bankers waited upon the Chancellor while the House was in session. One of the representatives of the joint stock banks is reported to have said to the representative of the Bank of England, "I can draw a couple of checks to-morrow morning which will shut you up at once."<sup>2a</sup> The letter of the government, signed by

<sup>1</sup> These figures are taken from the report of the liquidators at a meeting for dissolving the company, held in London on November 16, 1893. It appeared that  $\wedge 8,266,048$  of the liabilities was on account of bills re-discounted under the guarantee of the company and  $\wedge 6,018,-835$  was due creditors holding security. The proved claims were finally reduced to  $\wedge 4,913,382$ , including interest, and they were paid out of the proceeds of amounts realized from bills of exchange and other credits to the amount of  $\wedge 1,982,289$ ; from assets of the old firm,  $\wedge 688,561$ ; separate estates of the partners of the old firm,  $\wedge 909,870$ ; cash and interest on investments,  $\wedge 60,273$ ; and calls of  $\wedge 25$  per share upon the shareholders,  $\wedge 2,088,286$ . The liquidators were enabled to return  $\wedge 626,945$  to the contributories, and the various law costs and expenses of the twenty-seven years of liquidation were  $\wedge 188,953$ .—London *Banker? Magazine* Dec., 1893, I, VI., 809.

<sup>2</sup>Gilbart, IL, 3-19-